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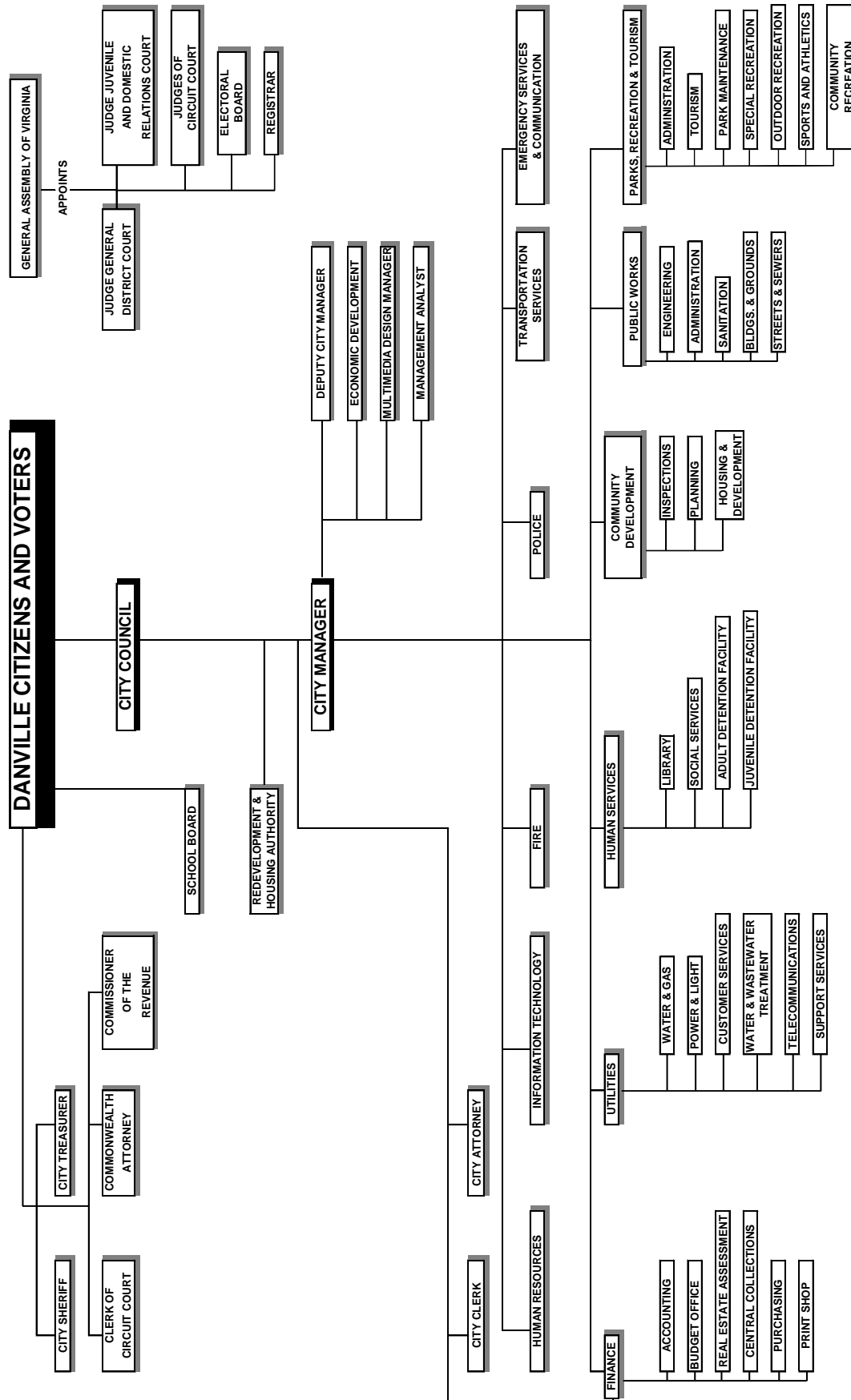
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The Danville City Council has designated eight priority areas to focus the efforts of the City Manager and staff during the next few years. Included is the effective and efficient provision of municipal services and facilities, economic development, crime prevention, education, controlling utility costs, minimizing blight, enhancing Danville's image, and improving race relations. This summary lists preliminary goals and objectives addressing these priorities. It will be refined as directed by City Council. Council-authorized actions taken in addressing each priority will be dependent on available resources.

1. **Municipal Services & Facilities** -- Effectively and efficiently provide municipal services and facilities necessary to ensure that Danville remains a pleasant, safe, and healthy community for its residents, visitors, businesses, and institutions.

- 1.1. Conduct a citizen survey to measure municipal service performance and quality ratings.
- 1.2. Initiate the phased development of written strategic plans for all municipal departments beginning with the Human Resources, Police, Economic Development, Community Development, and Utilities Departments. Incorporate goals and objectives supporting these Council-established priorities.
- 1.3. Conduct a municipal employee survey to identify organizational strengths and weaknesses and help focus productivity improvement efforts.
- 1.4. Undertake a management team building and training program to improve the ability of organization's top, middle, and line managers to plan, organize, control, and lead municipal departments as effectively and efficiently as possible.
- 1.5. Commence a two-year program to develop in FY 2011 and launch in FY 2012 a pay-for-performance system that effectively links employee compensation to job performance.
- 1.6. Produce a written Annual Report summarizing the City's accomplishments in effectively and efficiently providing municipal services and facilities.

2. **Economic Development** -- Support business prosperity and growth sufficient to ensure current and future employment at good wages.

- 2.1. Recruit new businesses and industries to the area that will diversify the economy and increase the overall average wage rate.
- 2.2. Strengthen the business retention and expansion program by visiting and maintaining regular contact with existing businesses and assisting them with their needs.
- 2.3. Develop a comprehensive plan for designing incentive programs as well as for renovating and redeveloping property in the Central Business District and the Tobacco Warehouse District.
- 2.4. Target a "niche" retail strategy by determining what needs (such as an upscale restaurant) are unmet in the community, and formulate a recruiting plan based on the feedback.

- 2.5. Evaluate developable property within the city limits of Danville and complete a plan to redevelop areas for future industrial and commercial growth, emphasizing increasing employment opportunities, strengthening of the tax base, reducing blight, and improving property utilization.
- 2.6. Work with Pittsylvania County on the certification and development of the 3,500 acre mega-park.
- 2.7. Continue regional cooperation with economic developers from Pittsylvania County, Martinsville-Henry County, and Caswell and Rockingham Counties in North Carolina to create a regional marketing brand and strategy.

3. Crime Prevention -- Maintain a safe and secure community free from the ravages of crime.

- 3.1. Ensure that the Danville Police Department is provided the resources required to effectively combat and prevent crime and that performance reports are regularly issued to the public to track progress made in achieving that goal.
- 3.2. Maintain an effective multifaceted “community policing” effort that engages and works in partnership with the community in order to proactively deal with conditions that give rise to crime, social disorder, and fear of crime.
- 3.3. Establish the “Coalition for a Safe Danville” as a means of uniting community stakeholders, sharing information, developing strategies, engaging and informing the public, and undertaking coordinated, results-oriented crime prevention activities that will combat crime and earn public confidence that Danville is a safe community in which to live, visit, and conduct business.
- 3.4. Expand effective crime prevention programs, including Neighborhood Watch, Business Watch, National Night Out, and Crime Stoppers.
- 3.5. Improve police intelligence gathering activities to support crime prevention efforts and the prosecution of offenders.
- 3.6. Continue and improve existing partnerships with the Danville Public Schools District to maintain public safety in the schools and at school athletic events.
- 3.7. Continue to keep the public informed about crime through media releases, the City’s internet website, and public service announcements while seeking out and effectively using new communications methods.
- 3.8. Continue and expand the Danville Police Department’s active role in regional law enforcement data sharing and communications programs.
- 3.9. Aggressively seek grant funding to support community crime prevention programs and law enforcement improvement activities.

4. **Education** -- To enable productive lifelong learning for Danville's citizens, provide adequate funding to the Danville School District and support for the community's colleges, educational institutions, and workforce training programs.

- 4.1. Support the Danville Public School District, Danville Community College, Averett University, Institute for Advanced Learning and Research, and West Piedmont Workforce Investment Board in emphasizing the importance of academic achievement, work skills development, and lifelong learning in Danville.
- 4.2. Regularly meet with the Danville School Board and administration to maintain a good understanding of public education system operations and budget requirements.
- 4.3. Provide access to lifelong learning opportunities through the collections, programs, and services of the Danville Public Library, classes and events provided by the Department of Parks, Recreation, and Tourism, and nDanville telecommunications services.

5. **Utility Costs** -- While maintaining reliable utility systems and services that meet customer requirements, minimize wholesale energy and operational expenses and encourage and assist customers in efficiency and conservation efforts to hold down their utility costs.

- 5.1. Secure reliable natural gas and electricity wholesale supplies at the lowest, most stable prices available.
- 5.2. Acquire cost-effective, environmentally responsible electric generation assets to reduce dependence on the volatile wholesale markets.
- 5.3. Modify the Northside Wastewater Treatment Plant to lower its operating costs while preserving capacity to meet future needs.
- 5.4. Develop an energy efficiency and conservation strategy to direct municipal operations and regulatory activities.
- 5.5. Engage the public in energy and water efficiency and conservation efforts to minimize their consumption of municipal utility services.

6. **Blight** -- Maintain the physical integrity of Danville's residential and business districts to avoid property deterioration, decline, and abandonment.

- 6.1. Proactively enforce the City's property maintenance code, including effective response to public complaints and rigorous implementation of provisions relating to vacant and blighted structures, graffiti, accumulated trash, overgrowth and weeds, inoperative vehicles, right of way encroachment, hazardous trees, and automobile graveyards and junkyards.

- 6.2. To promote compliance with health and safety standards and reduce substandard conditions in rental housing for low-income residents, continue the Rental Housing Inspection Program within the two designated districts.
- 6.3. Maintain the “Building Blocks Program” in the Westmoreland target area through aggressive rental housing inspections, maintenance of municipal right of ways and green spaces, rehabilitation of salvageable housing, demolition of dilapidated structures, new construction infill, and strategic acquisition and sale of properties.
- 6.4. Addressing the specific needs of the Green Street neighborhood, develop a plan of action during FY 2011 to similarly revitalize that area starting in FY 2012.
- 6.5. Prepare a city-wide building and property condition analysis during 2011 and a strategic plan to deal with blight in other areas of Danville.
- 6.6. Establish an Anti-Blight Task Force to strengthen and accelerate efforts to address the decline of residential neighborhoods and business districts due to property abandonment, decline, and deterioration.
- 6.7. Ensure blight issues are adequately addressed in the housing element of the updated Comprehensive Plan.

7. **Danville’s Image** -- Sustain a positive image of Danville among its own residents, as well as those in other communities.

- 7.1. Establish a task force involving groups, businesses, and citizens to address negative perceptions of Danville held by the community and targeted external audiences and to develop a strategic plan for improving Danville’s image.
- 7.2. Designate a public information officer staff position in the City Manager’s Office to ensure that accurate and positive information is available to everyone, especially to those making decisions that could affect Danville’s future.
- 7.3. Pursue attainment of the National Civic League’s “All-America City Award.”
- 7.4. Maintain efforts to beautify road interchanges and identify opportunities for other visual enhancements in Danville, particularly at gateways to the City and along major entry arterial streets.

8. **Race Relations** -- Ensure that all citizens of Danville enjoy living in community undivided by barriers of race or ethnicity.

- 8.1. Establish partnerships with community organizations to deal with actual and perceived instances of racial discrimination and inequity and to improve race relations in Danville.
- 8.2. Initiate programs and events to create opportunities for positive interracial dialogue and interaction.
- 8.3. Ensure that municipal programs and services address the needs of a diverse population and provide equitable benefits to all residents.
- 8.4. Use creative, innovative, and proactive means to promote the equitable recruitment of minorities into the municipal workforce in order to ensure that it is representative of the diversity of Danville. Similarly, endeavor to reflect Danville's diversity in the composition of City Council appointed boards and commissions.

Adopted: February 2, 2010

FY 2011 Budget Calendar
March 1, 2010

Jan. 15	All General Fund Approp. posted to Budget App General Fund Summary of CIP Request Complete
Jan. 18-29	Budget Team Reviews Department Request-Operating Budget Team/HR Reviews Department Request-Personnel
Jan. 25	DUC Regular Meeting (Review Revenues)
Feb. 8	DUC Special Budget Meeting (Review Expenditures & CIP)
Feb. 22	DUC Regular Meeting (Recommend Utility Budget)
March 5	Budget Balanced CIP Finalized
March 12	Budget Highlights Finalized
March 15	City Manager Proposed Budget sent to Print Shop
March 22-31	C/M & Budget Staff Meet with Council Members & Media
April 1	City Manager Recommended Budget (City Charter Section 8-6; VA Code Section 15.2-2503)
April 8-22	Budget Work Sessions – City Council/Dept Directors Operating Budget Capital Improvement Plan
April 9	Submit Advertisement – Public Hearing – Tax Increases Run Ad 4/16 Public Hearing 5/18
April 16	Submit Advertisement – Public Hearing – School Budget Run Ad 4/25 Public Hearing 5/6
April 16	Advertise Public Hearing on Tax Increases Public Hearing 5/18
April 25	Advertise School Budget Public Hearing 5/6
April 30	Introductory Budget (City Charter Section 8-6; VA Code Section 15.2-2503)
April 30	Submit 1 st Advertisement – Rate & Fee Increases

	Run Ad	5/9
	Public Hearing	6/1
May 6	Presentation & Public Hearing – School Budget Adoption of Resolution approving School Budget	
May 9	1 st Advertisement of Rate & Fee Increases Public Hearing	6/1
May 14	Submit Advertisement for Public Hearing – City & CIP Budgets Public Hearing	6/1
May 16	2 nd Advertisement of Rate & Fee Increases Public Hearing	6/1
May 18	1 st Reading – Rate & Fee Increase Ordinances 1 st Reading – Tax Increase Ordinances Public Hearing-Tax Increase	
May 23	Advertise City & CIP Budgets Public Hearing 6/1	
June 1	Public Hearing – Rate & Fee Increases Final Adoption – Rate & Fee Increase Ordinances Final Adoption – Tax Increase Ordinances Public Hearing – City, & CIP Budgets 1 st Reading of Resolutions approving City & CIP Budgets 1 st Reading Budget Appropriation Ordinance	
June 15	Final Adoption of Resolutions approving City & CIP Budgets Final Adoption – Budget Appropriation Ordinance	
July 1	Begin New Fiscal Year	

Utility Rates and other Fee Increases: Advertise 2 successive weeks with 2nd publication no sooner than 1 week after the first publication. Fourteen days must elapse between the last publication date and the passage of the ordinance.

Notice of Public Hearing for Tax Rate at least 30 days prior to Public Hearing

Advertise Summary of City, CIP & School Budgets once at least 7 days prior to Public Hearing. School Budget must be approved by May 15 or within 30 days of receipt of State Revenue Estimated whichever occurs later.

Budget Appropriation Ordinance not to be passed until 10 days after introduction.

BUDGET ADMINISTRATION

The City Manager Recommended Budget is prepared by the City Manager and presented to the Mayor and City Council for review and deliberation. After the review of the City Manager Recommended Budget by City Council, an Introductory Budget is prepared and contains all of the changes and amendments made by the City Council during its budget workshops. It is the Introductory Budget that is submitted to the public for public hearing. After the public hearing on the Introductory Budget, City Council offers final amendments to the budget and formally adopts the budget no later than June 30 of each year.

The Adopted Budget takes the form of: 1) an ordinance, authorizing expenditures and the raising of revenues during the coming budget year, and 2) resolutions authorizing fees, charges and related actions.

Once the budget is adopted by the City Council, it becomes the shared responsibility of the city manager, finance director, budget director and department heads to oversee the implementation of the budgeted programs and to continually monitor expenditure and revenue levels throughout the year. Full implementation of the FY 2011 budget begins on July 1, 2010.

DESCRIPTION OF MUNICIPAL BUDGET FUND

The Code of Virginia requires all ordinances appropriating funds in an amount of \$1,000 or greater to be introduced and lay over for a period of 10 days prior to final adoption. Further, if at any meeting ordinances amending the budget exceed one percent of the budget or \$500,000, whichever is the lesser, the State Code requires that such budget amendments be advertised for public hearing. The City Charter requires the affirmative votes of two-thirds of all the members of the City Council for all ordinances imposing taxes, authorizing the borrowing of money or appropriating money exceeding the sum of \$10,000.

The City of Danville organizes expenditures and revenues by fund. All the City's funds are shown in this document are described in more detail below.

OPERATING FUND

The General Fund

The General Fund is the primary operating fund for governmental-type activities. This fund accounts for all financial resources of the City, except for those resources required (by general accepted accounting principles) to be accounted for in another fund. The most significant sources of funding are general property taxes, other local taxes and transfers from the various utility funds. The most significant expenditures from this fund are for public safety, public works programs including infrastructure maintenance, health and welfare programs and contributions to other funds for education and capital improvements. The budget and accounting records are maintained on a modified accrual basis.

INTERNAL SERVICE FUNDS

The Insurance Fund

This fund provides accountability for all City costs relating to workers compensation on a self-insured basis, general insurance provided by outside insurance carriers- excluding group health and life, risks covered by statewide pools and risks other than workers compensation on a self-insured basis. The fund is

supported by charges to the user departments on a cost-reimbursement basis and is on a modified accrual basis of accounting for both the budget and the accounting records.

The Central Services Fund

This fund provides accountability for the acquisition of office supplies, the cost of interoffice mail, central mailroom and printing services, which are provided to the various departments of the City. The fund is supported by charges to the user departments on a cost-reimbursement basis and is on a modified accrual basis of accounting for both the budget and the accounting records.

The Motorized Equipment Fund

This fund provides accountability for the acquisition and maintenance of motorized vehicles for various departments of the City. The fund is supported by charges to the user departments on a cost-reimbursement basis and is on a modified accrual basis for both the budget and the accounting record.

ENTERPRISE FUNDS

The Transportation Fund

This fund provides for activities relating to mass transit bus services. The fund is on an accrual basis of accounting for both the budget and the accounting records. However, the fund is not self-supporting. Operation and maintenance costs are paid by user fees from passengers of the bus service, local, federal, and state grants and transfers from the General Fund.

The Sanitation Fund

This fund provides for activities relating to the collection and disposal of solid waste. The fund is self-supporting with user fees, which cover the operating and maintenance cost. The fund is on an accrual basis of accounting for both the budget and the accounting records.

The Cemetery Fund

The Cemetery Fund provides for funeral services, sale of lots and record keeping. The staff provides services to local funeral homes and can assist residents and non-residents who are interested in purchasing at-need and pre-need burial lots. Additionally, this fund provides for the maintenance of the eight municipally owned cemeteries. The fund is on an accrual basis of accounting for both the budget and the accounting records.

The Wastewater Fund

This fund provides for activities related to the treatment of household, commercial and industrial waste as well as the operations and maintenance of the treatment facilities, pumping stations, and collection lines. The fund is self-supporting with user fees, which cover the expenses for the collection system and treatment facilities and a contribution to the General Fund in lieu of taxes and to represent a return on investment. An accrual basis of accounting is used for this fund for both the budget and the accounting records.

The Water Fund

This fund provides for reliable high quality drinking and industrial process water at the lowest cost possible while complying with all local, state, and federal laws, regulations and standards. The fund is self-supporting with user fees, which cover the operating, and maintenance cost for water treatment plant and the distribution lines and a contribution to the General Fund in lieu of taxes and to represent a return on investment. An accrual basis of accounting is used for this fund for both the budget and the accounting records.

The Gas Fund

This fund provides for activities relating to the purchase and distribution of natural gas to customers. The fund is self-supporting with user fees, which cover the purchased cost of natural gas, operation and maintenance of the distribution system and a contribution to the General Fund in lieu of taxes and to represent a return on investment. An accrual basis of accounting is used for both the budget and the accounting records.

The Electric Fund

This fund provides for activities relating to the purchase of electricity, production of electricity, and operating and maintenance costs. The operating and maintenance costs cover the hydro-electric facilities, transmission system, and the distribution system. The fund is self-supporting with user fees, which cover all costs and provide a contribution to the General Fund in lieu of taxes and to represent a return on investment. An accrual basis of accounting is used for both the budget and the accounting records.

The Telecommunications Fund

The Telecommunications Fund is an e-rate service provider to the Danville Public Schools and the Pittsylvania County Schools and maintains and operates nDanville, a high-tech fiber optic network. The fund is self-supporting with user fees, which cover all costs and provide a contribution to the General Fund in lieu of taxes and to represent a return on investment. An accrual basis of accounting is used for both the budget and the accounting records.

SPECIAL FUNDS

The Capital Projects Fund

This fund provides accountability for financial resources used for major construction projects relating to general government use. Funding resources include proceeds from the sale of bonds, federal and state grants and transfers from the General Fund. The fund operates on a modified accrual basis of accounting for both the budget and the accounting records. Information regarding these projects can be found in the Capital Improvement Plan document.

Accrual Basis of Accounting

Funds that focus on total economic resources employ the accrual basis of accounting, which recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs. Revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of the related cash inflows and outflows.

Appropriation

The legal authority granted by the City Council to expend funds for a specific purpose.

Assessment

The official valuation of property for the purposes of taxation.

Assessed Value

A valuation set upon real or personal property by the City Assessor as a basis for levying taxes.

Balanced Budget

Occurs when the total revenues match the total expenditures for a fiscal year.

Bond

A written promise to pay a specified sum of money (the “principal”) at a specified date in the future, together with a periodic interest at a specified rate. The payments on a bond are referred to as “debt service”.

Budget

The plan for the acquisition and allocation of resources for a specified purpose.

Capital Improvement Program

A five-year plan for completing public capital projects on an annual basis, with tentative beginning and ending dates for each, anticipated costs, and options for financing.

Capital Outlay

Category of expenditures that includes machinery/equipment purchases, furniture/fixtures purchases, communications purchases, motor vehicles and equipment, software purchases, or certain expenditures classified as improvements.

Capital Projects

Large one-time construction/maintenance projects or purchases that are expected to provide services for citizens over a period of time.

Contingency

An estimated amount of funds needed for deficiency, contingent or emergency purposes.

Contribution Other Entity

Category of expenditures that includes contributions to outside organizations.

Cost Allocation

Cost allocation distributes accumulated indirect costs to the programs that benefit from the accumulated cost on the basis of percentages that represent a reasonable and equitable allocation base. A cost allocation plan allows the General fund to recover administrative costs from Enterprise Funds, grants, and other participants (Juvenile Detention).

Current Financial Resources

A measurement that focuses on changes in current financial resources. Here the goal of the operating statement is to answer the question, “What are the transactions or events of the period that have increased or decreased the resources available for spending in the near future?” This is the focus of governmental type funds (the General Fund) and is the reason the modified accrual basis of accounting is used.

Danville-Pittsylvania Regional Industrial Facility Authority (RIFA)

A regional partnership between the City of Danville and Pittsylvania County for the purpose of engaging in joint economic development efforts.

Debt Service

Repayment of City debt, including interest.

Department

An entity with the City organization, established either by State Code or identified need, for the administration of specifically related duties or responsibilities. A Department Head is responsible for the activities or expenditures within that department.

Depreciation

The process for estimating and recording the lost usefulness, expired useful life, or diminishment of a fixed asset that cannot or will not be restored by repairs and must be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to replace the item at the end of its useful life.

Disbursement

A cash payment to an outside party, or a transfer of funds to another accounting entity within the City's financial structure.

Division

For manageability and accounting purposes, some departments are further divided into divisions, which are small units of control in a given service area.

Economic Resources

A measurement focus used to describe the types of transactions and events that are reported in a fund's operating statement. The goal of the economic resources measurement focus is to answer the question, “What transactions and events have increased or decreased the fund's *total economic resources* during the period?” This is the goal of enterprise funds, and hence is the reason they use the accrual basis of accounting.

Employee Benefits

Category of expenditures that include indirect and non-cash compensation paid to an employee such as contributions to FICA, retirement (ERS and VRS), worker's compensation, and expenditures classified as employee services.

Encumbrance

A reservation of funds for an anticipated expenditure prior to an actual payment for an item. Funds are usually encumbered or reserved once a contracted obligation has been entered into for an item, but prior to the cash payment actually being disbursed.

Enterprise Fund

These self-supported funds for city-owned entities are entirely or predominantly financed by user fees. The operation of these self-sustaining funds is accounted for in such a way as to show gains or losses, similar to that of a private enterprise.

Expenditure

The authorized payment of City funds for goods or services. This includes payment for operating expenses, capital improvements, and debt service.

Fiscal Year

A year long accounting period. For the City of Danville, the fiscal year runs from July 1 to June 30 of the following year.

Fund Balance

Resources, which at year's end, have exceeded requirements and have not been designated for any specific purpose.

General Fund

The general fund accounts for the majority of day-to-day City operations and finances by taxes and revenue.

Grant

A contribution of assets by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grant moneys are usually dedicated for specific purposes.

Internal Services

A category of internal service funds that centralize the services for the general government motor pool, print shop, and insurance. These services are provided on a cost-reimbursement basis to the departments utilizing the services.

Internal Services Fund

The internal services fund accounts for the financing of goods and services provided by one fund to another fund on a cost reimbursement basis.

Labor Expense Cross

The cost of public works labor charged to another department.

Modified Accrual Basis of Accounting

Method under which revenues are recognized when earned, only to the extent they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period. Similarly, debt service payments and specific accrued liabilities are only recognized as expenditures when payment is due because it is only at that time that they normally are liquidated with expendable available financial resources. Funds that focus on the current financial resources (governmental funds) use the modified accrual basis of accounting.

Non-Categorical Aid: 599 Funds

Funding earmarked for public safety from the State of Virginia for localities with Police Departments.

Other Operating Expenses

A category of expenditures that includes travel and training, general liability insurance, dues and memberships, telephone/internet, office supplies, books and subscriptions, postal service, uniforms, and other materials and supplies.

Operating Expenses

The portion of the budget pertaining to the daily operations that provides basic governmental services.

Personnel Services

A category of expenditures that includes the salaries and wages for employees.

Position

A specified group of duties and responsibilities to be performed by a person employed by the City.

Proprietary Funds

Funds that rely on operating income, changes in net assets or cost recovery, financial positions, and cash flows.

Public Assistance

A category of expenditures that includes Social Service programs.

Purchased Services

A category of expenditures that include services performed by non-city entities for the functionality of a department or division. This can include payments for maintenance service contracts, repair work done by non-city firms, or accounting/auditing services.

Reserve

Funds that have been set aside for a specific purpose or future use.

Revenue

Government income, including, but not limited to, funding from sources such as taxes, permits, fees, licenses, fines, and grants.

Tax Base

The aggregate value of all items being taxed.

Tax Rate

The level of taxation stated in terms of a dollar amount (i.e \$0.73 per \$100 of assessed value) or a percentage of the value of the tax base (5% sales tax).

Transfer Out

General Fund support of other operations. For fiscal year 2010, the General Fund has budgeted support to the General Government Capital Improvement Projects Fund, Economic Incentives, Special Revenue Fund for local share of Grants, Schools, the Transportation Fund, and the City's share of support for the Regional Industrial Facility Authority.